



CITY OF CLARKSVILLE GAS AND WATER

Special Investigation
June 17, 2016

Justin P. Wilson, Comptroller





**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

Justin P. Wilson
Comptroller of the Treasury

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June 17, 2016

Honorable Mayor and Members of
the City Council
City of Clarksville
P. O. Box 928
Clarksville, TN 37040

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury, in conjunction with the Clarksville Police Department, conducted a special investigation of selected records of the City of Clarksville Gas and Water, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Haslam, the State Attorney General, the District Attorney General, certain state legislators, and various other interested parties. A copy is available for public inspection in our office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

Comptroller of the Treasury

JPW/RAD

SPECIAL INVESTIGATION

City of Clarksville Gas and Water

The Office of the Comptroller of the Treasury, in conjunction with the Clarksville Police Department, investigated allegations of malfeasance related to the City of Clarksville Gas and Water Department [gas and water department].

INVESTIGATIVE RESULT

- **Former materials management technician misappropriated gas and water funds totaling at least \$47,518**

During the period January 2011 through January 2016, Tony Hams, former materials management technician, misappropriated city funds totaling at least \$47,518 by making personal purchases using a gas and water department purchasing card (P-card) issued to him. Mr. Hams purchased children's tennis shoes and clothing, Oakley sunglasses, health and beauty products, and many other items that were not used for legitimate city purposes. He purchased these personal items from online stores and had many of the items delivered directly to his personal residence. Mr. Hams fabricated requisition forms and other documentation to disguise the personal nature of the purchases, effectively concealing his unauthorized activity from his supervisors. All charges on the P-card, including Mr. Hams' personal charges, were paid with gas and water department funds. **[Refer to Exhibits 1-1 through 3-2 at end of this report.]**

Mr. Hams was also responsible for recording the personal purchases he made using the gas and water department P-card in the department's digital inventory system. The investigation revealed that Mr. Hams logged fictitious items into the gas and water department's inventory system, rather than entering the personal items he actually purchased, resulting in false and misleading inventory records. Gas and water department officials terminated Mr. Hams' employment on January 26, 2016.

On June 6, 2016, the Montgomery County Grand Jury indicted Tony Hams, former materials management technician, on three counts of theft over \$10,000, one count of official misconduct, and ten counts of forgery.

ADDITIONAL ISSUES

Our investigation revealed deficiencies in financial processes that contributed to the former employee's ability to perpetrate the misappropriation without prompt detection. The financial process deficiencies included:

- Gas and water department officials failed to separate incompatible purchasing. Mr. Hams was responsible both for ordering and for receiving inventory items.
- Gas and water department officials failed to scrutinize adequately invoices submitted by Mr. Hams for online purchases.
- Gas and water department officials failed to require and review documentation that online purchases were actually received.

Officials of the Clarksville Gas and Water Department have indicated they have corrected these deficiencies.

EXHIBITS

**Legitimate invoice obtained
from the vendor.**

Exhibit 1-1

Page 1 of 1



FEDERAL ID: 470826306
 DATE: 12/9/13
 INVOICE #: 033108477
 TERMS: 30

INVOICE

TONY HAMS
 2215 MADISON ST
 CLARKSVILLE TN 37043-5237

SHIP TO:

CLARKSVILLE, TN 37043-7856

Mr. Hams' home address

Order #: 220880416
 Purchase Order #:

Customer #: 48188726

Item Set #	Retail Price	Qty Ordered	Shipped	Gross Amt	Disc/ Charge	Net Amount
904776 10" FLEX SHORTS/ROYALM	22.99	1	1	22.99	0.00	22.99
919821 UA Y PANT/GREY/XL/YOUTH	39.99	1	1	39.99	0.00	39.99
919821 UA Y PANT/BKWH/XL/YOUTH	39.99	1	1	39.99	0.00	39.99
416325 BLUE RH KIT	219.99	1	1	219.99	0.00	219.99

**Compound Bow and
Arrow Kit**

ORDER IS COMPLETE

Totals for Order to Date

Merchandise	322.96
Shipping and Handling	29.95
Sales Tax	0.00
Subtotal	352.91
Other Remittances	
Discounts/Charges	0.00
Total Due	352.91

PLEASE MAKE PAYMENTS TO:

CABELA'S INC

SEND PAYMENT TO:

PO BOX 959012
 ST LOUIS, MO 63195-9012

If you have any questions, feel free to call: 800-243-6626

Corresponding fraudulent requisition prepared and submitted by Mr. Hams.

Exhibit 1-2

GAS & WATER DEPARTMENT

WAREHOUSE REQUISITION

Purchase From: CABELAS

P-CARD: T Hams

Address: _____

DATE: 12-11-13

City: _____ State: _____ Zip Code: _____

QUANTITY	DESCRIPTION	PART NUMBER	UNIT PRICE	AMOUNT	ACCOUNT NUMBER
2	UA RUBBER BOOTS	Exp		352.91	
				TOTAL: 352.91	

ACCOUNT NUMBERS TO BE CHARGED	AMOUNT	
412-13136-53210	176	45
412-14140-53210	176	44

Legitimate invoice obtained from vendor.

Exhibit 2-1



Phones: 269.273.2850
 800.870.6189
 Fax: 269.273-3244
 Web Store: SafetyGlassesUSA.com

A Veteran Owned Small Business

Safety Glasses USA Inc.

Safety Glasses USA, Inc.
 1501 KDF Drive
 Three Rivers, MI 49093

Phone: 18008706189
 E-Mail: service@sgusa.us

Invoice

Order Number: **521212**
 Customer Number: 187038
 Order Date: 8/28/2013
 Date: 3/21/2016

Bill To:

CGW
 TONY HAMS
 2215 MADISON ST
 CLARKSVILLE, TN 37043
 USA
 Phone: +1 (931) 6457400
 E-Mail: tony.hams@cityofclarksville.com

Ship To:

CGW
 TONY HAMS
 2215 MADISON ST
 CLARKSVILLE, TN 37043
 USA


Line	Item Code	Description	Quantity	Unit Price	Total Price
1	OK-03-915	Oakley Flak Jacket XLJ-Jet Black w/ Black Iridium Lens (NON-STOCK)	1	150.00	150.00
2	OK-009156-16	***DISC-3/10/15*** Oakley Fast Jacket XL Sunglasses with Infrared Frame and +Red Iridium and VR28 Lenses	1	220.00	220.00
3	KWMPM	Promotion Discount	1	-7.50	-7.50
				Sub-Total	362.50
				Tax	0.00
				S&H	9.00
				Total	371.50
				Returned	0.00
				Payments	371.50
				Refunds	0.00
				Balance Due	0.00

Visa *9787, Exp. August/2014

"We Have Your Protection In Sight"

Corresponding fraudulent invoice prepared and submitted by Mr. Hams.


Exhibit 2-2


Easy 2-Step Checkout

Step 1: Cart Contents

Need Help? Call Toll Free: 800.870.6189

Step 2: Shipping & Billing



THANK YOU FOR YOUR ORDER!

Thank you for your order. Please [print this page](#) for your records. You will be receiving a confirmation e-mail shortly.

We are dedicated to providing world class service before and after the sale. If you need further assistance, or have questions or comments, please contact us. A knowledgeable and friendly representative will gladly help you.

If you have any questions about your order, please [Contact Us](#)

ITEM	UNIT PRICE	QTY.	IN STOCK	COST
Pyramex Zone 2	\$12.65	28	49	\$354.20
Subtotal: \$383.68				
The following promotional discounts are applied to your order:				
				Discount:
Shipping:				\$17.30
Tax:				\$0.00
Total:				\$371.50

Order Confirmation Confirmation

Order Date:
8/28/2013

Credit Card: Visa *****9787

Legitimate invoice obtained from vendor.

Exhibit 3-1



SOAP.COM: 1-800-762-7123

Bill To:

Tony Hams
 2215 MADISON ST
 CLARKSVILLE, TN 37043
 US
 Phone: (931)320-1110

Ship To:

Tony Hams
 [REDACTED]
 CLARKSVILLE, TN 37043
 US
 Phone: [REDACTED]

INVOICE
 Invoice Date: 12/9/2013
 Invoice Number: 28337839
 Due Date: Paid
 PO Number:

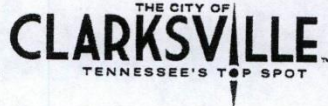
Mr. Hams' home address

Item No	Description	Qty Ordered	Qty Shipped	Unit Price	Discount	Subtotal
AAZ-482	Burberry The Beat for Men Eau de Toilette - The Beat - 1 oz	1	1	\$47.00	\$0.00	\$47.00
AUS-1-193	AXE Shower Gel - Shock - 16 oz	1	1	\$5.49	\$0.00	\$5.49
AUS-1-476	Dove Men+Care Shave Gel, Sensitive - 7 oz	2	2	\$5.25	\$0.00	\$10.50
AUS-1-849	Dove Beauty Gift Set, Revive, 3 ct	2	2	\$8.00	\$0.00	\$16.00
JJ-165	JOHNSON'S Kids Head-to-Toe Body Wash, Tropical Blast 9oz	3	3	\$4.09	\$0.00	\$12.27
JJ-194	Johnson's Head-to-Toe Baby Wash - 28 oz	1	1	\$7.34	\$0.00	\$7.34
JJ-198	Johnson's Baby Cologne - Fresh Scent - 6.8 oz	1	1	\$3.14	\$0.00	\$3.14
JJ-202	Johnson's Baby Bedtime Lotion - Lavender & Chamomile - 3 oz	1	1	\$2.10	\$0.00	\$2.10
RG-3132B	Gain Liquid Fabric Softener - Island fresh - 51 oz - 2 pk	1	1	\$21.39	\$0.00	\$21.39
RG-3138B	Gain HE Liquid Detergent - 100 oz - Island fresh - 2 pk	1	1	\$22.45	\$0.00	\$22.45
FWW-232	Yves Saint Laurent Eau de Toilette Spray-Kouros - 3.3 oz	1	1	\$60.87	\$0.00	\$60.87
FWW-317	Dolce & Gabbana Eau De Toilette-The One Sport - 1.6 oz	1	1	\$45.60	\$0.00	\$45.60
FWW-328	Marc Jacobs Eau De Parfum-Oh Lola! - 3.40 oz	1	1	\$70.40	\$0.00	\$70.40
PX-617	Skintimate Signature Scents Moisturizing Shave Gel - 7 oz	1	1	\$3.79	\$0.00	\$3.79

Subtotal: \$328.34
Shipping: \$0.00
Credit: -\$0.00
Coupon: -\$0.00
Gift Certificate: -\$0.00
Tax: \$0.00
TOTAL: \$328.34

Corresponding fraudulent requisition prepared and submitted by Mr. Hams.

Exhibit 3-2



GAS & WATER DEPARTMENT

Purchase From: SOAP.COM

Address: _____

City: _____ State: _____ Zip Code: _____

WAREHOUSE REQUISITION

P-CARD: T HAMS

DATE: 12-9-13

QUANTITY	DESCRIPTION	PART NUMBER	UNIT PRICE	AMOUNT	ACCOUNT NUMBER
4	56AL BLEACH			328 ³⁴	
				TOTAL: 328³⁴	

ACCOUNT NUMBERS TO BE CHARGED	AMOUNT
412-14140-53210	164 ¹⁷
411-14140-53210	164 ¹⁷